

IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA	:	CRIMINAL NO.
v.	:	DATE FILED:
STEVEN HIRSH	:	VIOLATIONS: 18 U.S.C. §1343 (Wire Fraud - 1 Count) 18 U.S.C. § 2 (Aiding and Abetting – 1 Count)

**INFORMATION**

**COUNT ONE**

THE UNITED STATES ATTORNEY CHARGES THAT:

1. From approximately February 1996 until the filing of this Information, defendant STEVEN HIRSH operated Ogontz Pharmacy, located at 7622 Ogontz Avenue, Philadelphia, Pennsylvania.
2. While operating Ogontz Pharmacy, defendant STEVEN HIRSH caused claims for reimbursement for the cost of prescription medications to be submitted to claims processors, such as PAID Prescription, L.L.C., which evaluate such claims on behalf of third-party payors, which include private insurance plans, including but not limited to Independence Blue Cross.
3. In the regular course of business, claims for reimbursement made by defendant STEVEN HIRSH from Ogontz Pharmacy were submitted electronically by means of wire transmission in interstate commerce to claims processors, that, in turn, caused reimbursement to be paid by third-party payors.

4. The third-party payor system of reimbursing prescription claims depends upon the honest submission by pharmacies of true claims based upon valid prescriptions.

#### **THE SCHEME**

5. From at least January 1, 1996, until at least in on or about December 31, 1998, at Philadelphia, in the Eastern District of Pennsylvania and elsewhere, defendant

STEVEN HIRSH

devised and intended to devise a scheme to defraud third-party payors and claims processors, and to obtain money by means of false and fraudulent pretenses, representations, and promises.

It was part of the scheme that:

6. Defendant STEVEN HIRSH, through Ogontz Pharmacy, defrauded third-party payors and claims processors by falsely billing these organizations for reimbursements, totaling approximately \$750,000, for prescription medications that were never dispensed to patients.

7. Defendant STEVEN HIRSH entered into an agreement with a medical doctor and pharmacists known to the United States Attorney to increase revenues to Ogontz Pharmacy and to cover the costs of co-payments, which were not collected from certain favored patients, including employees, family, and friends, by submitting claims for reimbursement to claims processors and third-party payors for prescription medications that were not dispensed.

8. Defendant STEVEN HIRSH executed this scheme to defraud by causing claims for reimbursement to be submitted for prescriptions falsely represented as having been dispensed where such prescriptions were not dispensed.

9. The affiliated medical doctor facilitated the scheme by instructing defendant STEVEN HIRSH and other participants in the scheme which prescription medications should be falsely submitted for reimbursement.

10. Rental payments made by defendant STEVEN HIRSH to the affiliated medical doctor, in whose building Ogontz Pharmacy was co-located, were used as a subterfuge for the purpose of funneling the affiliated medical doctor's share of the fraudulently-obtained insurance reimbursements back to the affiliated medical doctor.

11. Defendant STEVEN HIRSH fraudulently submitted claims for reimbursement, electronically through wire transmission in interstate commerce, totaling approximately \$750,000 to various third-party payors and claims processors, including but not limited to Independence Blue Cross and PAID Prescription, L.L.C.

12. On or about May 8, 1998, at Philadelphia, in the Eastern District of Pennsylvania, defendant

STEVEN HIRSH

for the purpose of executing the scheme described above, and aiding and abetting its execution, caused to be transmitted by means of wire communication in interstate commerce, from Ogontz Pharmacy in Philadelphia, Pennsylvania, to PAID Prescriptions, L.L.C., in Fair Lawn,

New Jersey, a false and fraudulent claim for reimbursement to Independence Blue Cross for a prescription medication, Lortisone, that was never dispensed by Ogontz Pharmacy.

In violation of Title 18, United States Code, Sections 1343 and 2.

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PATRICK L. MEEHAN  
UNITED STATES ATTORNEY